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MIDDLE EAST – AFRICA – SOUTH ASIA

This publication is prepared for regional specialists in the Washington community by the Middle East - Africa Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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Bahrain

Assessment of Political Stability

The US embassy believes Bahrain's political condition is essentially sound and its future relatively secure. The ruling Khalifa family seems likely to retain its grip on power for some time to come. The roundup of radical leftists last summer, an improved security apparatus, and a more adroit performance by the government in dealing with the occasionally rambunctious National Assembly are in part responsible for this optimistic assessment. Before these hopeful signs began to appear recently, many observers were predicting a rough political future for the Persian Gulf island.

Contributing to Bahrain's enhanced stability is the weakening of religious communalism as a divisive issue. For many years, Bahraini Shias--about half the population--felt largely excluded from any significant political or economic role by the Sunni Muslims, who made up the governing and economic elite. Today, Shia religious reactionaries in the National Assembly still occasionally cause problems for the government, and the large number of poor Shias in rural areas could be a breeding ground for extremists. Shias now, however, occupy important cabinet and government posts, and sectarian differences no longer appear to be a serious political issue.

Until independence in 1971, a broad spectrum of liberals and leftists operated in Bahrain in opposition to the ruling family. Time and the Khalifas' willingness to experiment with constitutional government has moderated many of the most radical opponents of the ruling family. The local branch of the Arab Nationalist Movement--a once powerful pan-Arab leftist organization--is moribund and many of its members have become pillars of "polite society." Some individuals with good credentials as active subversives in the 1950s and 60s are now serving the Khalifa ruling family in government posts. Assorted one-time

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proponents of a drastic overhaul of Bahraini political life have become cabinet ministers. The Khalifas and the liberal commoners now seem to be willing to work together in relative harmony.

The most important threat to security today comes from the radical leftists associated with the National Liberation Front of Bahrain. Most of the Front's leaders are young, dedicated, and experienced agitators; some were educated in Moscow or Baghdad. The Front has received support from Moscow, Baghdad, Damascus, and South Yemen. The organization appears temporarily to be in disarray following the government's arrest of many of its leaders, but it has a potential for causing trouble because of its ties with students and labor. The local branch of the gulf-wide Popular Front for the Liberation of Oman seems to be even weaker.

In Bahrain's national assembly--which consists of 30 elected members and 14 cabinet members--the radical leftists have 7 votes, but their influence has been increased by a sporadic tactical alliance with 8 ultra-conservative Shia deputies. The Shia legislators would like to reverse Bahrain's relatively liberal social policies, but on bread-and-butter issues they make common cause with the radical leftists. These strange political bedfellows together make up an anti-government bloc of one-third of the assembly.

With only the certain vote of its 14 ministers, the Khalifa government has the continuing problem of securing the enactment of government bills and keeping control of the legislature. After a poor start during the first year of the assembly, when the government was outmaneuvered by the radical leftists, the government has been doing its homework. It has gained the initiative and kept its critics in procedural knots. Moreover, it has been willing to compromise on issues to win over enough of the 16 middle-of-the-road deputies to secure a majority.

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Until the end of March, the government hopes to keep its parliamentary critics engaged in consideration of the budget, where it is on fairly strong ground. Increased petroleum revenue has for the first time provided Bahrain with enough revenue for reasonable development needs.

Thereafter, fireworks could erupt in the assembly. The government will attempt to overcome the opposition on some tough political issues, including the security decree under which the government has detained some National Liberation Front ringleaders, the increase of government ownership in the Bahrain Petroleum Company to 60 percent, an unpopular labor law, and a modern penal code strongly opposed by the Shia leaders.

The embassy assesses the government's security apparatus as reasonably dependable and loyal. Members of the Amir's family fill many top leadership posts, and well qualified Jordanian and UK citizens fill a number of staff posts. Equipment deficiencies are being overcome by increased expenditures. The Bahrain Police, the primary internal security organization, includes many non-Bahrainis who are nonetheless strongly loyal to the Amir.

The embassy emphasizes that Bahrain's stability hinges on larger Middle Eastern events; a resumption of hostilities between the front-line Arab countries and Israel could result in a radical Arab backlash against the Amir, who has made little effort to camouflage Bahrain's close ties to the United States. (SECRET NO FOREIGN DISSEM/BACKGROUND USE ONLY)

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India-China

Down a Familiar Path?

In recent years Sino-Indian relations have been in large part the story of false starts, lost opportunities, and overreaction. Against this backdrop, tenuous signs are once again emerging that the two sides may be interested in improving relations. Thus far the Chinese have taken most of the initiative.

-- Since mid-November, high ranking Chinese officials have privately expressed interest in better relations with India.

-- Vice-Minister of Foreign Affairs Han Nien-lung attended the Indian Republic Day reception in Peking; he is the highest ranking official the Chinese have sent in many years.

-- Premier Chou En-lai addressed his Republic Day congratulatory message to the Indian government, not simply to Mrs. Gandhi and the Indian people as he did last year.

-- A Chinese ping pong team participated in a recent international tournament in Calcutta; it was the first time in more than a decade that Peking had sent an organized group to India. The team leader, a Vice-Minister of the Physical Culture and Sports Commission, has unequivocally indicated that his purpose was to help improve his country's relations with India and NCNA has taken pains to play up the friendship between the Indian and Chinese people in covering the visit. The Chinese team made a special request to visit New Delhi.

For their part the Indians have been somewhat receptive to these Chinese overtures.

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-- India permitted the ping pong team to visit New Delhi.

-- In a recent interview with a Japanese journalist, Prime Minister Gandhi alluded to the benefits of improving Sino-Indian relations.

Almost a year ago Peking was making similar noises, but these efforts were abandoned after India tightened its control over Sikkim last summer. The new moves could be similarly checked as a result of the continuing rivalry between India and China for influence in Nepal. China has just agreed to build a 244-mile road in Nepal, which will be the largest single aid project in the country and will catapult Peking ahead of New Delhi as Nepal's biggest aid donor. The Chinese had been considering the road project for the past year, but India's move in Sikkim and subsequent pressure on Nepal to tone down criticism of the move were undoubtedly key factors in Peking's decision to press ahead. New Delhi has yet to react to the aid agreement and much could depend on this. The Chinese are probably prepared for a certain amount of Indian indignation, but calculate that in the end the aid will not undermine chances for better Sino-Indian ties. Indeed, the Chinese may hope that the competition will provide an additional incentive for some movement, and they may turn out to be right. The jockeying for position in Nepal leaves plenty of room for misunderstanding, however.

There are other obstacles on the path of improved Sino-Indian relations, but, they seem to pose less of a problem than the buffer states issue. The Indians will probably soon conclude a deal with Kashmiri nationalist leader Sheikh Abdullah who will return to power in Indian-controlled Kashmir in return for acknowledging the state's accession to India. This will leave the Pakistanis highly agitated, albeit with little inclination to go beyond strong diplomatic protest. Peking will feel compelled to join in the verbal sparring to some extent, but will probably not carry the issue very far either. The measure of Peking's concern seemed to be foreshadowed by NCNA's

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failure to replay Foreign Trade Minister Li Chiang's remarks supporting the territorial integrity of Kashmir during his trip to Pakistan last month. NCNA has routinely reported such comments in the past.

The Chinese will also probably not allow a second Indian nuclear test--should it occur during the next several months--to interfere with progress in bilateral relations. After the first test last May, the Chinese continued to display interest in better ties with New Delhi. Having come this far, Peking will most likely take a second test in stride.

Although all these issues have the potential to undermine forward motion in any Sino-Indian talks, whether they actually do so depends in large measure on the possible benefits each side sees in improving relations. At this point, Peking would seem to have more to gain than New Delhi. Indeed, this may explain why the Chinese have thus far taken the initiative in seeking improved relations.

A rapprochement would accord Peking a better position from which to encourage Indian resistance to Moscow's pressure for military facilities and to play on frictions in the Indo-Soviet relationship. Over the long term, the Chinese hope they can reduce Indian dependence on Soviet military aid: if the Indians can be reassured about Chinese intentions, so this logic goes, Soviet military aid would have less appeal.

As for the Indians, better relations holds forth the hope of relieving long-standing concerns about their northern borders with China and Pakistan. New Delhi recognizes, however, that its dependence on Soviet economic and military aid limits its options vis-a-vis China. India would not want to incur the ire of the USSR, which has probably already let Mrs. Gandhi's government know of Soviet concern over the signs that Sino-Indian relations could improve. Moreover, India has been pressing the Soviets for better terms as well as certain new types of economic and

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military assistance. New Delhi will make its case again when Soviet Defense Minister Grechko visits there next week.

Despite these constraints, India may agree to an upgrading of its diplomatic exchange with China to the ambassadorial level and perhaps to some trade. New Delhi probably could not venture much beyond this in the absence of significantly improved ties with other potential sources of foreign assistance, such as the US and Iran. (CONFIDENTIAL)

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